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Water tax hike in the pipeline

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Proposal on revising water tax to be put before Corporation Council again

An increase in water tax for city residents appears imminent as the Tiruchirapalli City Corporation Council is set to take up a proposal on this for discussion next week.

The council had deferred a decision on the proposal in February in the wake of a strong opposition from the Dravida Munnetra Kazhagam and with some ruling AIADMK councillors expressing reservations.

The DMK, while opposing the move, had contended that any increase could be considered only after the new drinking water augmentation scheme, currently under execution, was

commissioned.

The corporation has proposed to increase the minimum water charge for domestic connections from Rs. 100 to Rs. 200 a month. The deposit for new connection is also proposed to be increased from Rs. 3,000 to Rs. 5,000.

A sharp increase has been proposed for non-domestic use, industries, and other establishments.

For non-domestic use (for purposes other than drinking), the minimum water charge will be Rs. 600 a month and the deposit is to be increased from Rs.6,000 to Rs.10,000.

For industries, the minimum levy will be Rs.1,000 a month.

The corporation has proposed to increase the charge for supply of water through tankers under different slabs based on the distance covered.

In April 2008, the council had approved a revision in water tax in a phased manner in view of the implementation of the new scheme.

Despite the opposition in the council, the increase appears inevitable given the resource crunch faced by the civic body.

Officials have been pointing out that the corporation is in urgent need to raise the resources to repay the loan taken for the Rs. 221.42-crore drinking water supply augmentation scheme.

The corporation has been justifying the move by pointing to a huge gap between the expenditure incurred on water supply and the revenue realised through water charge.

The civic body spends Rs. 28.97 crore annually on drinking water supply and gets just Rs.19.97 crore from water tax.

The corporation has to service the debt raised for

implementing the new drinking water scheme taken up with loans to the extent of Rs. 111.25 crore raised through Tamil Nadu Urban Infrastructure Financial Services Limited.

Besides, the Third State Finance Commission has recommended revision of water charge once in three years and the State audit has pointed out that this recommendation should be implemented.

There are indications that although the opposition DMK is expected to strongly resist any increase in water charge, the proposal is expected to go through paving the way for the implementation of the new water charge in the city with effect from April 1.